



HOUSE OF REPRESENTATIVES

HB 2596

public assistance; limitations; benefit card

Prime Sponsor: Representative Olson, LD 25

DP Committee on Appropriations

DP Caucus and COW

X House Engrossed

OVERVIEW

HB 2596 modifies and outlines additional requirements for the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF), including Electronic Benefit Transfer (EBT) cards.

PROVISIONS

SNAP

1. Prohibits the Department of Economic Security (DES) from applying for, accepting or renewing any waiver of work requirements for SNAP as established under [federal law](#) (please see section 2015 (o) *Work requirement*).
2. Requires DES to administer SNAP within the following limitations:
 - a. Categorical eligibility pursuant to [federal law](#) (please see section 2014 (a) *Income and other financial resources as substantial limiting factors in obtaining more nutrition diet; recipients under Social Security Act*) . Prohibits any regulations adopted under that section from being granted for any noncash, in-kind or other benefit unless expressly required by federal law.
 - b. The gross income standards of SNAP is prohibited from exceeding the standards specified in [federal law](#) (please see section 2014 (c) *Gross income standard*) unless expressly required.
 - c. The financial resource limit standards of SNAP is prohibited from exceeding the standards specified in [federal law](#) (please see section 2014 (g) (1) *Allowable financial resources*) unless expressly required.
 - d. Categorical eligibility exempting households from the gross income standards requirements or the resource limits is prohibited from being granted for any noncash, in-kind or other benefit unless expressly required by federal law.
3. Requires DES to set disqualification periods for all instances of noncompliance with any SNAP requirement unless expressly prohibited by federal law, including:
 - a. A three-month, full-household disqualification period for the first instance of noncompliance.
 - b. A six-month, full-household disqualification period for the second instance of noncompliance.
 - c. A permanent disqualification period for the third instance of noncompliance.

EBT Card

4. Adds the following to the list of establishments a person is prohibited from conducting an EBT card transaction:
 - a. A jewelry store.
 - b. A tattoo parlor.
 - c. A massage parlor.
 - d. A body piercing parlor.
 - e. A spa and nail salon.
 - f. A lingerie shop.
 - g. A tobacco paraphernalia or vapor cigarette store.
 - h. A psychic and fortune telling business.
 - i. A bail bond office.
 - j. A movie theater.
 - k. A public swimming pool.
 - l. A cruise ship.
 - m. A theme park.
5. Prohibits the use of an EBT card for any of the following:
 - a. The purchase of cigarettes or any other tobacco products.
 - b. Bail.
 - c. Travel services provided by a travel agent.
 - d. Tattoos.
 - e. The purchase of lottery tickets.
 - f. The purchase of sexually-oriented adult materials.
 - g. The purchase of tickets for a concert, sporting event or other entertainment event.
6. Stipulates that a recipient is subject to the following for any violation of EBT prohibited uses:
 - a. For an initial violation, a written warning.
 - b. For a second violation, a three-month, full-household disqualification period, unless expressly prohibited by federal law.
 - c. For a third violation, a permanent disqualification period, unless expressly prohibited by federal law.
7. Requires each EBT card issued by DES to have the recipient's color photograph and name on the card, unless the recipient declines to have the photograph included.
8. Allows the recipient's parent or legal guardian to have that person's photograph placed on the card if a recipient is a minor or otherwise incapacitated person.
9. Permits DES to enter into a memorandum of understanding with other state agencies, including the Motor Vehicle Division, to share photographs when available.
10. Requires DES to send each recipient, who requests three replacement cards within a 12 month period, a letter informing the recipient that another request will require participation in a face-to-face interview with a fraud investigator and eligibility expert.
11. Requires, if a third-party vendor is administering replacement cards directly to recipients, a vendor to notify DES after a recipient requests a third replacement card within a 12 month period and makes any subsequent request thereafter.

12. Requires DES to schedule an interview with a fraud investigator and eligibility expert before issuing a new card after a recipient's request for a fourth replacement card within a 12 month period, and any subsequent request thereafter.
13. Requires, unless expressly prohibited by federal law, DES to terminate the recipient's benefits within 10 days after the scheduled interview if the recipient fails to appear.
14. Limits the number of authorized representatives on any EBT card to no more than four individuals at any given time.
15. Requires DES to compile the list of authorized users at the time of application and update the list during every recertification.
16. Allows recipients to add or change authorized representatives by filing a written request.

Spending Report

17. Requires DES to post a spending report of SNAP and TANF benefits on its website. The report must also be made available on an annual basis to the Joint Legislative Budget Committee, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate.
18. Requires the spending report to include the following:
 - a. The dollar amount and number of transactions of SNAP benefits that are accessed or spent outside Arizona, disaggregated by state.
 - b. The dollar amount and number of transactions of TANF benefits that are accessed or spent outside Arizona, disaggregated by state.
 - c. The dollar amount, number of transactions and times of transactions of SNAP benefits that are accessed or spent in Arizona, disaggregated by retailer, institution or location.
 - d. The dollar amount, number of transactions and times of transactions of TANF benefits that are accessed or spent in Arizona, disaggregated by retailer, institution or location.
19. Requires the spending report to be de-identified to prevent identification of individual recipients.

Child Support Enforcement

20. Requires DES to terminate benefits for any recipient who fails to comply with child support enforcement efforts, unless good cause is established, or who is delinquent on any court ordered child support payments, including arrears, unless expressly prohibited by federal law. Current law prescribes DES impose a series of graduated sanctions for recipients in noncompliance with child support enforcement efforts.
21. Specifies that the period of disqualification for a recipient who is terminated ends once DES determines that the person is cooperating with child support services and is no longer delinquent on any court ordered child support payments, including arrears.
22. Makes technical and conforming changes.

CURRENT LAW

[A.R.S. § 46-297](#) prohibits the use of an EBT card at automatic teller machines and point-of-sale terminals located at liquor, gaming and adult entertainment facilities. DES is required to notify EBT card recipients of the use restrictions.

DES is required to impose a series of graduated sanctions to cash assistance for noncompliance with any the following: 1) child support enforcement efforts, unless good cause is established; 2)

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work activities requirements, unless good cause is established; 3) school enrollment and attendance requirements; and 4) immunization requirements. For a first instance of noncompliance, DES must reduce the household's cash assistance grant by 25% for one month. For a second instance of noncompliance not in the same month as the first instance, the cash assistance must be reduced by 50% for one month. For any subsequent instance of noncompliance not in the same month as the other instances, the cash assistance is terminated for at least one month or until the household complies ([A.R.S. § 46-300](#)).